COMMITTEE ON GOVERNMENT REFORM SUBCOMMITTEE ON ENERGY AND RESOURCES



OPENING STATEMENT OF CHAIRMAN DARRELL ISSA

Oversight Hearing:

"Can the U.S. Electric Grid Take Another Hot Summer?" (Working Draft)

July 12, 2006

Good afternoon everyone and welcome to our Subcommittee hearing. Today, we will highlight the Federal Energy Regulatory Commission's recently released *Summer Energy Market Assessment 2006*, which identified four major geographic areas with potentially critical electricity supply issues. The areas are: Southern California; Long Island, New York; Southwestern Connecticut; and Ontario, Canada, which affects the US states in the Great Lakes region. Each of these areas is particularly vulnerable to a hot summer and unplanned outages from local generators, as well as, disruptions in electricity imports from other regions. Each of the potential U.S. trouble spots was also identified in FERC's 2004 and 2005 summer assessments.

This issue is of paramount importance not only for my constituents in Southern California, but also for the entire nation.

The potential for rolling blackouts and supply shortages in particular regions would have spillover effects and thus greater implications for the nation's electricity system. Furthermore, supply shortages would have a significant negative economic impact, especially taking into account that prices for power are already high.

In addition to hearing more from FERC on its summer assessment, we will hear from the regional Independent System Operators, which coordinate electricity transmission and oversee wholesale electricity markets in the U.S. trouble spots.

An important question for our witnesses to answer is, "What are you doing to address this summer's challenges?" Bearing in mind the trouble spots read like a list of "usual suspects" from past assessments, another question you must answer is, "What are you doing to avert a crisis in the long-term?"

On the first panel, we are privileged to have here today:

• The Honorable Joseph T. Kelliher, Chairman, Federal Energy Regulatory Commission

On the second panel, we have representatives of ISOs and a municipal utility from Southern California. I welcome:

- Mr. Yakout Mansour, President and CEO, California Independent System Operator
- Mr. Mark S. Lynch, President and CEO, New York Independent System Operator
- Mr. Pete Brandien, VP of System Operations, ISO New England
- Ms. Phyllis Currie, General Manager, Pasadena Water and Power

I look forward to hearing from our witnesses.